

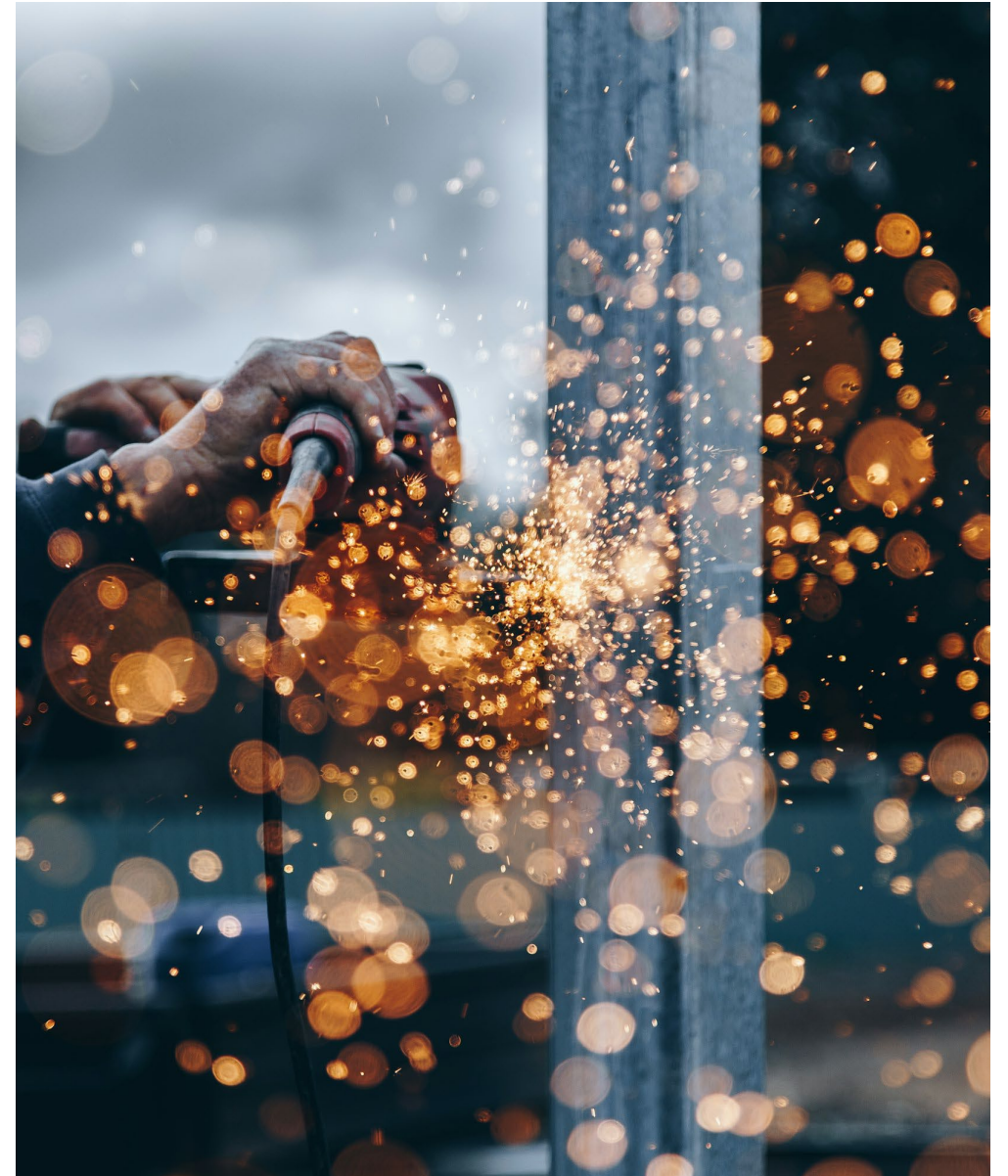
MARKETBEAT Q2 2024

HO CHI MINH CITY

INDUSTRIAL

- *Industrial Park (IP) Land*
- *Ready-Built Factory (RBF)*
- *Ready-Built Warehouse (RBW)*

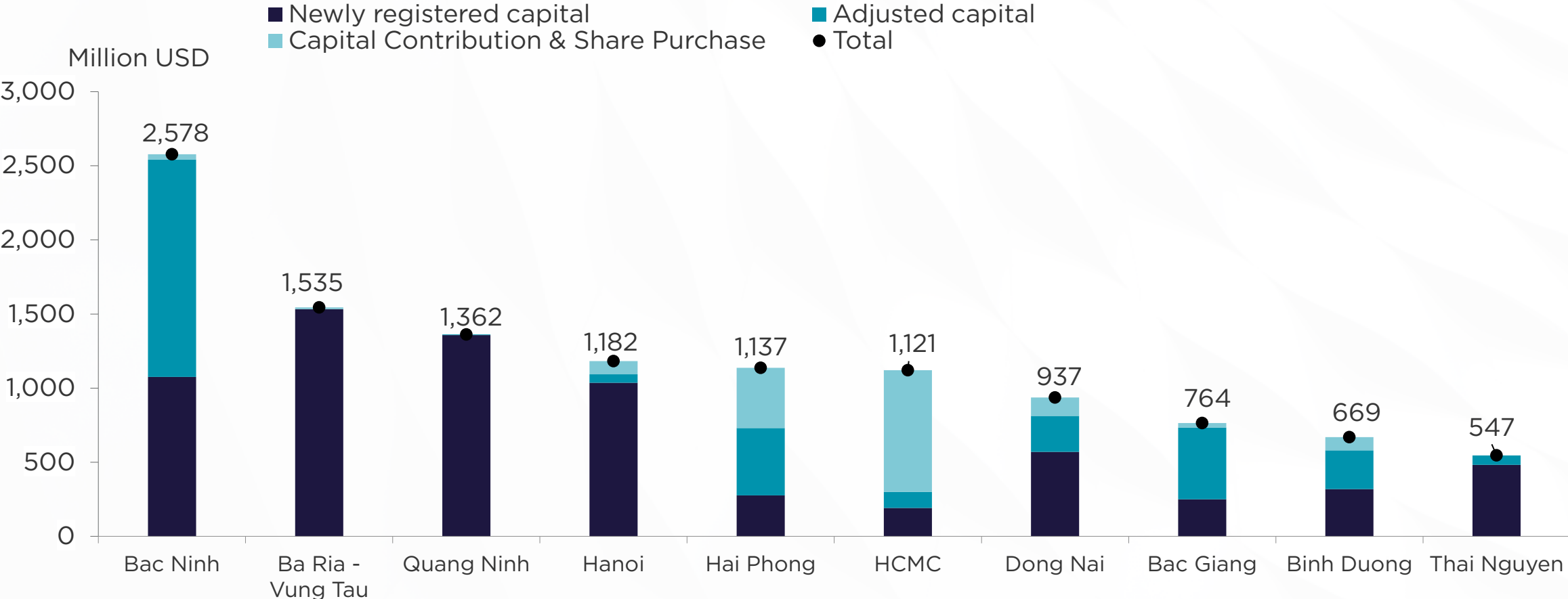
Better never settles



TOP FDI DESTINATIONS IN H1 2024

FOUR OUT OF FIVE PROVINCES IN THE SKER CONTRIBUTED IN THE TOP FDI ATTRACTION IN H1 2024

Leading provinces in attracting FDI, H1 2024



SOUTHERN INDUSTRIAL MARKET - IP LAND

POSITIVE SENTIMENT FOR INDUSTRIAL LAND

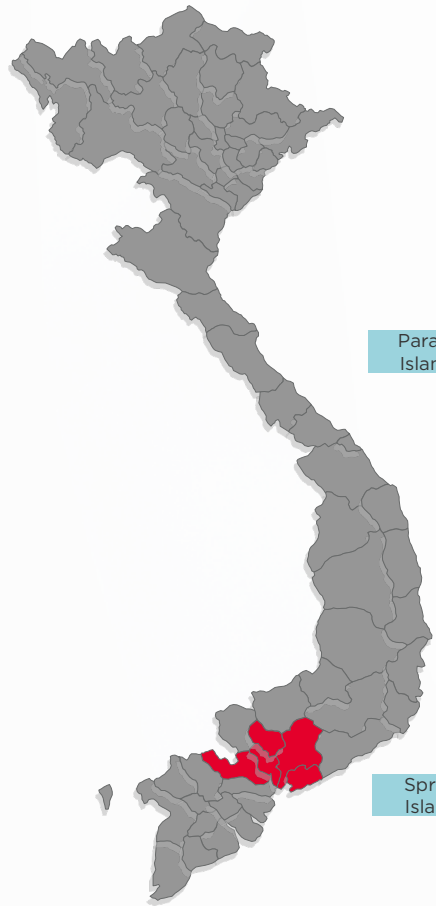
Southern Key Economic Region (SKER)

Total leasable land (ha)
~ 28,000 +0.6% QoQ
 +1.2% YoY

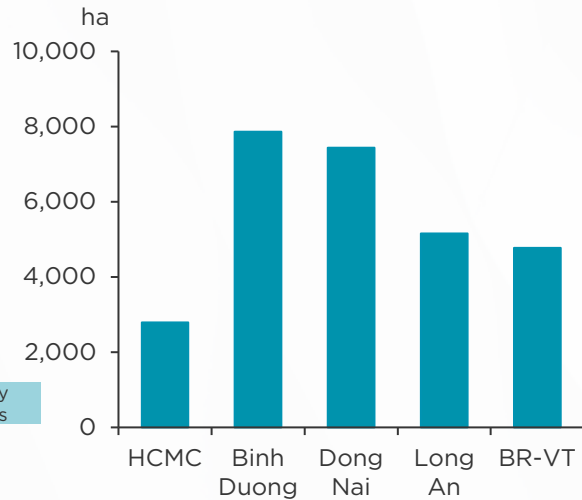
Occupancy
~ 82% -0.2 ppt QoQ
 +0.3 ppt YoY

Average primary asking price
 (US\$/sq.m./term) (*)
US\$ 176 +2.9% QoQ
 +4.8% YoY

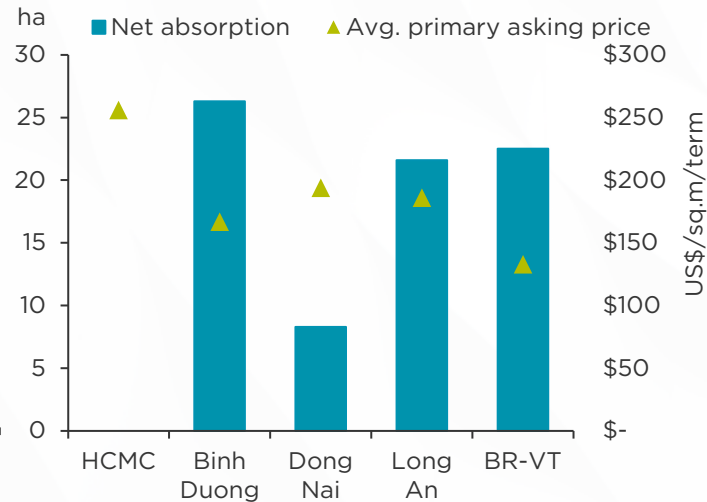
Net Absorption (ha) Q2 2024
~ 79



INDUSTRIAL LAND SUPPLY



INDUSTRIAL LAND PERFORMANCE



- One new Industrial Park (IP) project was launched in Long An Province, namely Thu Thua IP, providing about 115 ha of leasable area into the market.
- Market sentiment is positive this quarter with the net absorption reaching 79 ha. Binh Duong, Long An, and Ba Ria - Vung Tau each recorded above 20 ha absorbed. Demand for IP land this quarter came from various industries, from high value-added such as Electronics, Pharmaceutical, to traditional industries such as Plastics, Vehicle Production, and Animal Feed.
- Amid high demand for IP land, the average primary asking price of IP land was recorded at US\$ 176/sq.m./lease term, up 2.9% QoQ and 4.8% YoY.

Source: Cushman & Wakefield

(*) Note: Average primary asking price is prices offered directly from IP developers, exclusive of VAT and management fee
 US\$/VND = 25,500 as of Q2 2024

SOUTHERN INDUSTRIAL MARKET - RBF

INCREASING DEMAND, RBF MARKET GREATLY BENEFITED FROM THE INVESTMENT WAVE

Southern Key Economic Region (SKER)

Total RBF supply (sq.m)

~ 6,100,000 ^{+11.1% QoQ}
^{+8.0% YoY}

Average asking rent (US\$/sq.m/month) (*)

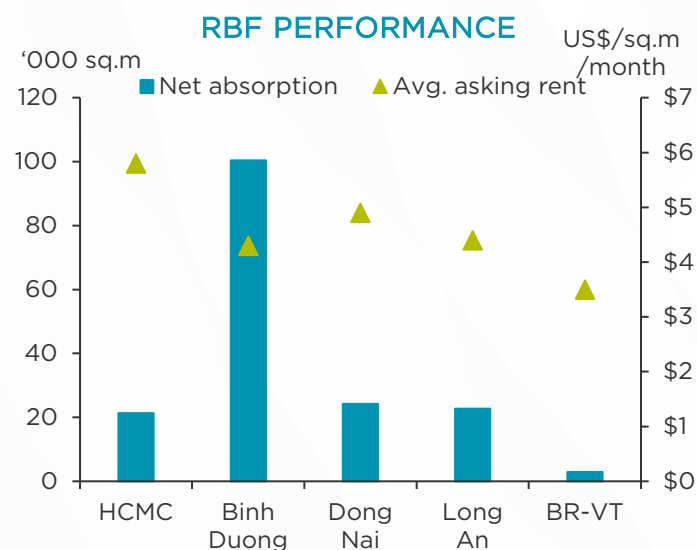
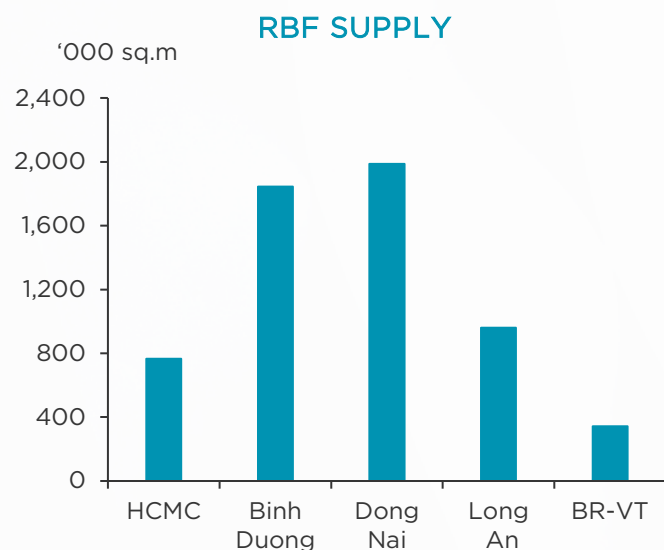
US\$ 4.7 ^{+1.1% QoQ}
^{+2.5% YoY}

Occupancy

~ 71% ^{-4.8 ppts QoQ}
^{+2.3 ppts YoY}

Net Absorption (sq.m) Q2 2024

~ 172,000



Source: Cushman & Wakefield

(*) Note: All rents are inclusive of SC but exclusive of VAT

US\$/VND = 25,500 as of Q2 2024

- One new RBF project was launched, namely BW Bau Bang 06 in Binh Duong Province, bringing nearly 300,000 sq.m into the market.
- In line with the industrial land market, the RBF market has greatly benefited from the investment wave, with total net absorption recorded at about 172,000 sq.m. Binh Duong Province led in terms of RBF absorption with 59% contributions. Demand for RBF this quarter came from industries that are existing strengths of the SKER region such as Vehicle Production, Machinery & Equipment, and Textile.
- Rents of RBF increased 1.1% QoQ, and 2.5% YoY, at US\$4.7/sq.m/month.

SOUTHERN INDUSTRIAL MARKET - RBW

MARKET DEMAND HAS BEEN SLIGHTLY BOUNCING BACK

Southern Key Economic Region (SKER)

Total RBW supply (sq.m)

~ 5,300,000 -5.5% QoQ
+5.3% YoY

Average asking rent (US\$/sq.m/month) (*)

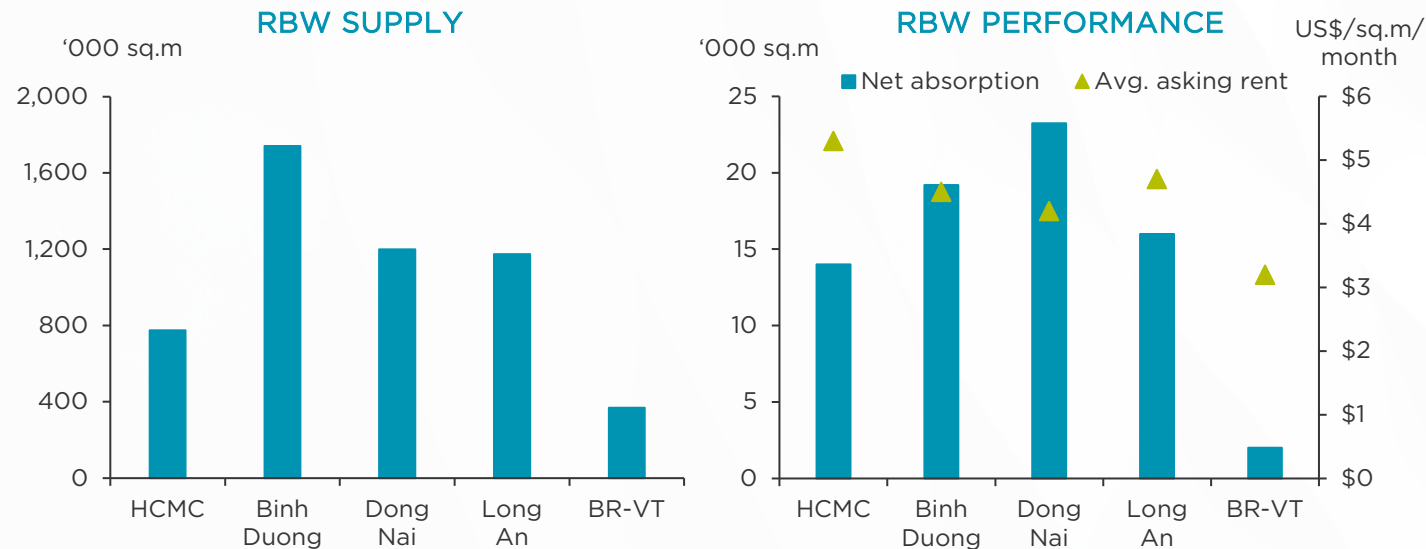
US\$ 4.5 stable QoQ
+1.2% YoY

Occupancy

~ 79% +5.7 ppts QoQ
+4.0 ppts YoY

Net Absorption (sq.m) Q2 2024

~ 74,000



Source: Cushman & Wakefield

(*) Note: All rents are inclusive of SC but exclusive of VAT

US\$/VND = 25,500 as of Q2 2024

- One new RBW was launched this quarter, namely BW Dong An 2 project in Binh Duong Province, with a 19,000 sq.m GFA scale. In addition, two projects in Binh Duong and Long An Province were converted from warehouse to factory function, leading to a decline in supply.
- The net absorption of RBW was recorded at about 74,000 sq.m in Q2 2024. Dong Nai Province led the warehouse demand with over 23,000 sq.m absorbed. Market demand has bounced back thanks to new FDI flow into Vietnam and increased domestic consumption.
- The average rent of RBW was recorded at US\$ 4.5/sq.m/month, stable QoQ and increasing 1.2% YoY.

OUTLOOK

Future land supply (2024R - 2027F)

~ 6,200 ha

Future RBF supply (2024R - 2027F)

~1.4 million sq.m

Future RBW supply (2024R - 2027F)

~1.9 million sq.m

- The outlook for the industrial market remained brilliant with several positive factors: Vietnam’s participation in global trade through free-trade agreements (FTAs), strengthening of strategic partnerships, and the China+1 strategy of large manufacturers. Therefore, the developers are preparing future pipelines to welcome the investment wave. From present until 2027, about 6.200 ha of IP land will be added to the market.
- Investors and manufacturers are gradually keeping eyes on further-located provinces in Central Vietnam and the Mekong Delta region thanks to competitive land prices, the active FDI attraction strategy, and continuously improving infrastructure system.
- The RBF market will welcome a future supply of about 1.4 million sq.m in the period 2024 - 2027. Following the investment wave into industrial land, demand for RBF is expected to be healthy due to low initial investment costs, time-saving, and more flexibility for investors.

| Property type | Supply CAGR (2024 - 2027F) |
|---------------|----------------------------|
| IP Land | 6.2% |
| RBF | 6.2% |
| RBW | 7.7% |




Source: Cushman & Wakefield

- There will be about 1.9 million sq.m of RBW entering the market in the 2024 - 2027 period, with 55% of future supply will be located in Dong Nai Province, home to the future Long Thanh Airport.






NOTABLE FUTURE SUPPLY (2024 - 2027)

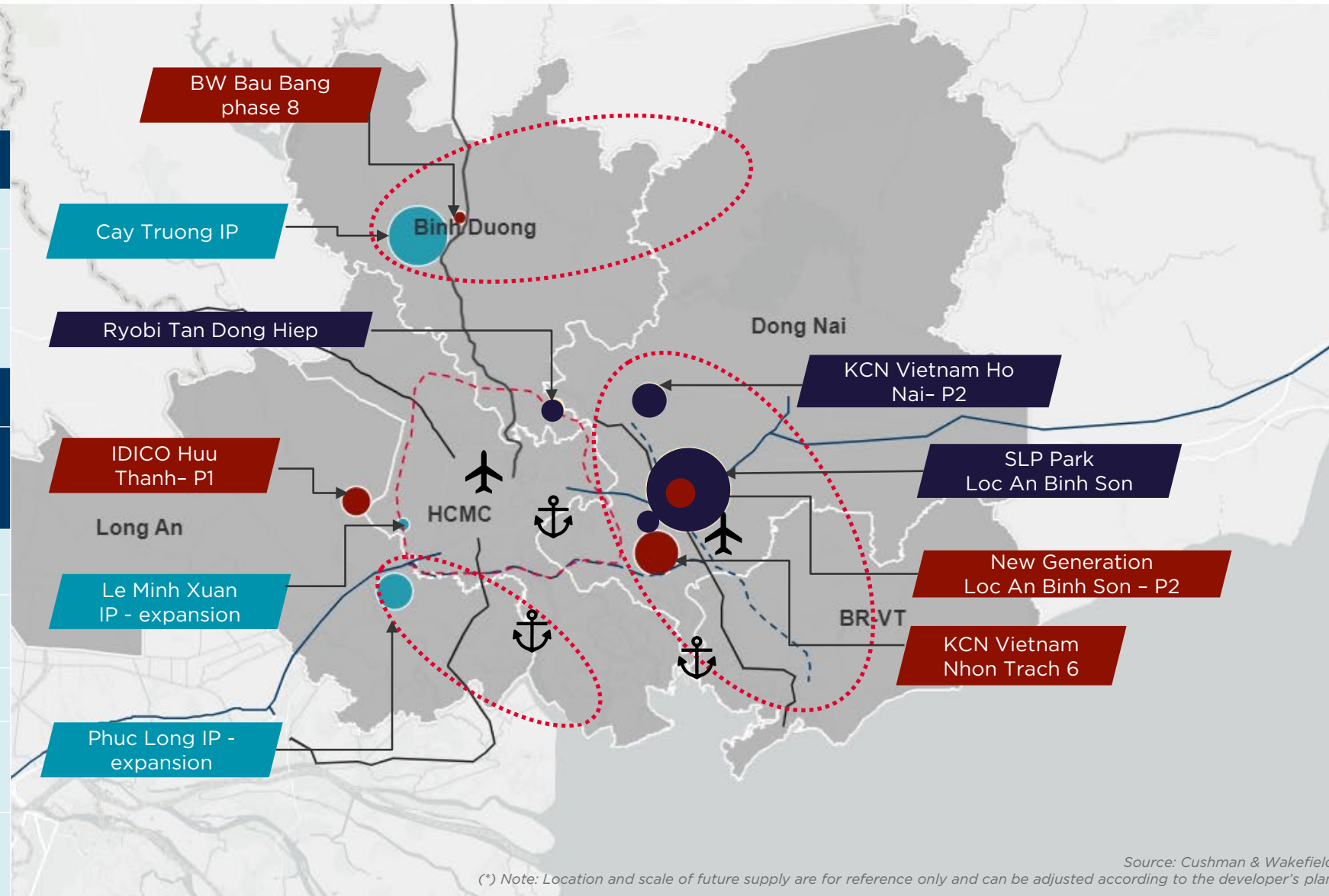
FUTURE SUPPLY WILL DEVELOP ALONG THE INFRASTRUCTURE NETWORK

LEGEND

| | |
|--------------------------|---|
| International Airport |  |
| International Seaport |  |
| Existing Industrial Hubs |  |

NOTABLE PROJECTS

| Industrial Land (ha) | RBF (sq.m) | RBW (sq.m) | |
|----------------------|------------------|------------|---|
| < 100 | < 10,000 | |  |
| 100 - 150 | 10,000 - 20,000 | |  |
| 150 - 220 | 20,000 - 50,000 | |  |
| 220 - 300 | 50,000 - 100,000 | |  |
| >300 | > 100,000 | |  |



(*) Note: Location and scale of future supply are for reference only and can be adjusted according to the developer's plan. Source: Cushman & Wakefield

CONVERSION TREND

Total RBF & RBW supply (sq.m), Q2 2024

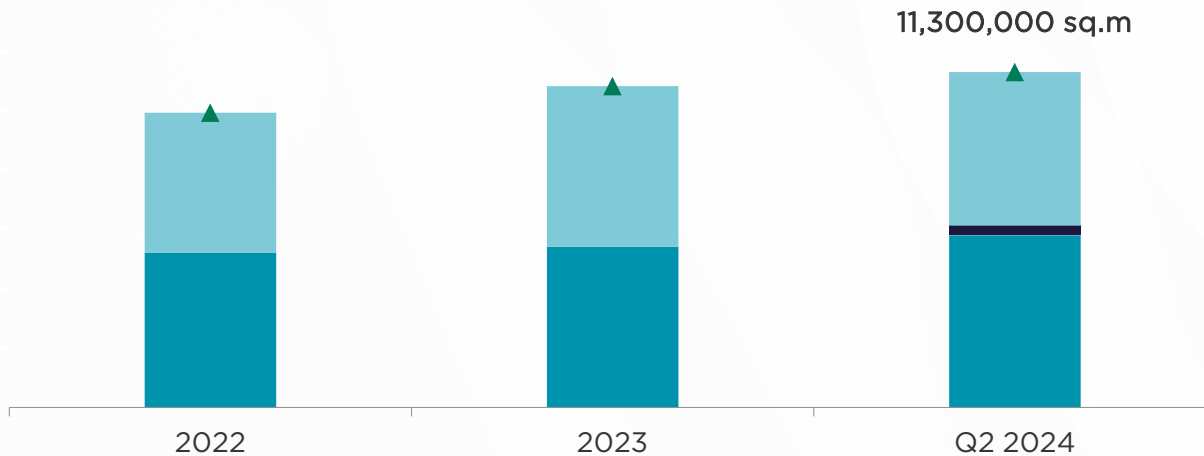
~ 11,300,000

Total RBW → RBF supply conversion (sq.m), Q2 2024

~ 322,400

Total RBF/RBW supply in the SKER, 2022 - Q2 2024

■ RBF ■ RBW-->RBF Conversion ■ RBW ▲ Total



Ready-Built Warehouse
(RBW)

Ready-Built Factory
(RBF)

- In Q2 2024, Cushman & Wakefield observed an ongoing trend: the conversion of the Ready-Built Warehouse project into the Ready-Built Factory project.
- This strategy is to adapt to the market demand: While demand for warehouses was slowed down recently, demand for RBF still proved healthy following the FDI inflow into Vietnam, the developers have been preparing for this conversion process to ensure asset stabilization and secure the cash flow.



TRANG BUI

Country Head

Bui.Trang@cushwake.com

ABOUT CUSHMAN & WAKEFIELD

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit www.cushmanwakefield.com.

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